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The following estimates, forecasts, and projections are mainly taken from recent publications of the National Agricultural Statistics Service, Economic Research Service, and the World Agricultural Outlook Board of the USDA.

♦**Wheat.** Winter wheat production is forecast at 1.61 billion bushels, down 14% from last year. Based on conditions as of May 1, the U.S. yield is forecast at 44.4 bushels per acre. This is down 2.5 bushels from last year's record high. Total U.S. wheat production is projected by the USDA's World Agricultural Outlook Board (WAOB) at 2,245 million bushels, down 12% from last year. The projected price range for 1999/2000 \$2.60 to \$3.10, compared with \$2.65 estimated for the 1998/99 crop.

♦**Corn:** The U.S. 1999 corn crop is projected at 9.45 billion bushels by the WAOB, down 3% from last year. The March Prospective Plantings area and a trend yield of 131.8 bushels per acre are assumed. Total U.S. 1999/2000 corn supplies are up 1% as the large carryin stocks more than offset the smaller crop. The projected price range for the 1999 corn crop is \$1.80 to \$2.20 per bushel.

♦**Soybeans.** U.S. 1999 soybean output is projected by the WAOB to be a record 2.88 billion bushels, up more than 4% from 1998. U.S. soybean production is based on an intended record large soybean planting of 73.1 million acres and a trend yield of 40 bushels per acre. Soybean prices are projected to show another steep drop in 1999/2000 and is expected to be between \$3.95 to \$4.75 per bushel, down from \$5.05 for the 1998 crop. Soybean meal prices are forecast to be between \$120 and \$140 per short ton, compared to \$135 this year.

♦**Cotton.** The U.S. cotton outlook for 1999/2000 includes sharply higher production, exports, and ending stocks relative to 1998/99, according to the WAOB. Production is raised nearly 30% based on the March Prospective Plantings report and historical average abandonment and yield. An export forecast of 5.5 million bales represents a 22% U.S. share of expected world trade, up from this seasons's 17.3%.

♦**Rice.** U.S. rice production in 1999/2000 is projected at a record 207 million cwt by the WAOB, up nearly 10% from 1998/99. Domestic and residual use is projected at a record of nearly 113 million cwt, up 2.6% from 1998/99. Global 1999/2000 rice production is projected at a record 389 million tons, assuming normal global weather.

♦**All Oranges.** Production for the 1998-99 season is forecast at 9.84 million tons, down 28% from last season's record large production of 13.7 million tons.

♦**Cattle.** May 1 **cattle on feed** in the U.S. feedlots with capacity of 1,000 or more totaled 10.02 million head, up 3% from a year earlier. Placements were up 5% from the previous year. Marketings of fed cattle were 3% above 1998. Mid-May, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$63 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$68 per cwt during mid-May, down \$5 from mid-April.

♦**Hogs.** Hog slaughter during recent weeks has been running about even with a year ago. Prices at mid-May (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$38 per cwt, up \$9 from mid-April. Third quarter prices are expected to average \$42 with fourth quarter prices staying steady or dropping slightly.

♦**Other Livestock.** April **milk production** was up 3.4% from the previous year. Production per cow increased 3.5% , however, the number of cows was almost unchanged from April 1998. The April **Basic Formula Price (BFP)** was \$11.81 per cwt, up 19 cents from March. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) decreased 1.2 cents for the first week of May and 1.8 cents for the second week. This suggests that the May BFP will be down. During March, total **cheese** production was 6.4% above the previous year, **butter** production was up 2.5%, and **nonfat dry milk** production was up 20.2%. Sheep slaughter for April totaled 310 thousand head, 19% below last year. The average live weight was 136 pounds, up 3 pounds from April a year ago. U.S. **table egg production** during April totaled 5.69 billion, up 2% from a year ago. Cumulative table egg production for the 1999 marketing year is up 3% at 28.8 billion. Wholesale market **egg prices** for the second quarter of 1999 are expected to average 59-61 cents per dozen, compared with 66.5 cents a year ago. Third quarter 1999 market egg prices (Grade A large, New York) are expected to average 68-72 cents per dozen, compared with 76.0 cents a year ago. As of

the week ending May 15, cumulative **broiler placements** for 1999 in 15 selected

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states were 2.74 billion, up 3% from the same period a year earlier. The wholesale 12-city average price for whole broilers for the second quarter of 1999 is expected to be 57-59 cents, compared to 61.0 cents for the second quarter of last year. Third quarter 1999 broiler prices are expected to average 57-61 cents per pound, compared with the 70.4 cents for a year earlier. Cumulative **turkey poult placements** for the 1999 marketing year were 192 million, 4% less than the same period a year ago. Placements in April were 4% more than last April. Prices (8-16 lb. hens, Eastern Region) for the second quarter of 1999 are expected to be in the 62-64 cent range compared with 59.1 cents for the second quarter last year. Turkey prices for the third quarter of 1999 are expected to average 64-68 cents per pound, compared with the 63.4 cents average for the third quarter of 1998. **Supplies in refrigerated warehouses** the end of April compared with a year earlier were: chicken up 13%; turkeys down 23%; pork up 22%; beef down 5%; cheese up 6%; and frozen orange juice up 2%.

♦**Trade.** May U.S. **trade projections** present USDA's initial assessment of U.S. crop exports for the 1999/2000 season. This is also the first projections of U.S. livestock exports for the 2000 calendar year. May U.S. 1999/2000 trade projections for wheat, corn, cotton, soybeans, and broilers improved over 1998/1999, while 2000 export prospects for beef and pork declined, compared with 1999. May projections for the volume of exports for the 1999/2000 marketing year compared to 1998/1999 are: **wheat** up 10%; **corn** up 1%; **rice** down 1%; **soybeans** up 21%; **soybean meal** up 21%; **soybean oil** down 6%; and **cotton** up 34%. May projections for the volume of meat exports in calendar 2000 compared to 1999 are: **beef** down 6%; **pork** down 4%; **broilers** up 2%; and **turkeys** unchanged. The **U.S. trade** deficit for goods and services increased to \$19.7 billion in March, from a revised \$19.1 billion February. The **U.S. agricultural trade** surplus was \$624 million in March, compared with \$865 million in February.

♦**Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, was up 0.7% in April and has increased 2.3% over the last 12 months. The **PPI** increased 0.5% in April. This followed an increase of 0.2% in March. For the 12-month period ending in April, the PPI increased 1.1%. The April **prime rate**, averaging 7.75%, was unchanged from March. Compared to a year earlier, **feed** prices in April were down 11%; **feeder livestock and poultry** prices down 2%; **fertilizer** down 6%; **ag chemicals** down 1%; **farm machinery** up 2%; **seeds** down 2%; and **fuels** down 1%.

♦**World Weather and Crop Developments** (May 9-15). Unseasonably cold weather continued over **Russia, Ukraine, the Baltics, and Belarus**, slowing crop development. Sub-freezing temperatures were widespread in northern Russia, Belarus, Baltics, and the extreme northern tip of Ukraine. In **Europe**, mild weather and light showers extended from England and northern France eastward into Germany, favoring winter grains in or nearing the heading stage and spring-sown crops in the vegetative stage. In **Australia**, scattered showers across the western and southeastern winter grain belts helped to condition topsoils for planting activities. Rain over Queensland's western and northern summer crop areas and neighboring sections of New South Wales, caused some delays in late cotton and sorghum harvests. Cold weather and soaking rains restricted spring fieldwork across the Prairies of **Canada**, with temperatures averaging 2 to 6 degrees C below normal. Sub-freezing temperatures limited early grain and oilseed development across southern producing areas. In **Argentina** and southern **Brazil**, dry weather favored summer crop harvesting. In the **U.S.** very wet weather persisted for a second consecutive week in the **Dakotas**, halting planting activities. Across the **east-central Plains** and the **western Corn Belt**, wet weather continued a 6-week trend, generally benefitting winter wheat and spring-sown crops, but causing additional planting delays and leaving standing water in some low-lying areas. Soils remained unfavorably dry in **southern Texas**, where hot weather offset the benefits of scattered midweek showers. In the **Northwest**, where frequent freezes burned back winter wheat and spring-sown small grains and required protective measures in fruit orchards.

♦**Other News.** Gains in efficiency and productivity have spurred gains in production for broilers and hogs. **Broilers feeding efficiency** has increased from 4 pounds of feed to produce 1 pound of meat in 1945 to less than 2 pounds of feed to produce a pound of meat today. Over the same period, the amount of labor required to produce 100 pounds of broilers declined from 5.1 hours to 0.1 hours. Due to the increase in pigs per litter, litters per sow per year, and increased liveweights, **pork production** per head of breeding stock has rose from 1,400 pounds in 1978 to 2,500 pounds in 1997. In 1999, 59% of hogs in the U.S. were produced under multi-year contracting or integration. **Large supplies of major U.S. field crops** are expected to persist in 1999/2000, with season-average farm prices stabilizing or declining. **Wheat** is the exception, with production expected to decline and average price to rise moderately. **Red meat and poultry production in 2000** is forecast about the same as expected record production in 1999. Increased **poultry** production, bolstered by continued profitability and low corn and soybean meal prices, will offset modest declines in **beef and pork** output. **Broiler prices** in 2000 will continue to decline from record levels reached in 1998, while cattle and hog prices will continue to recover some from 1998's extreme lows. **Russian imports** of agricultural and food products have dropped by about three-fourths because of the economic crisis, causing U.S. agricultural exports to Russia, 2% of total U.S. agricultural exports before the crisis, to plunge by near 80%. **USDA's Conservation Reserve Program (CRP)**, after accepting 5 million acres in its 18th sign-up in March 1999, stands just 5 million acres shy of its statutory limit of 36.4 million acres

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